

CLINICAL LABORATORY MORATORIUM
August 2004

In accordance with Section 14043.55 of the California Welfare and Institutions Code, I, Sandra Shewry, Director of the Department of Health Services (DHS), Health and Human Services Agency, State of California, am implementing a 180-day moratorium on the enrollment of all clinical laboratories in the Medi-Cal program, including those clinical laboratories owned and operated by a physician or physician group performing moderate or high complexity clinical laboratory tests or examinations. Upon my approval of this moratorium, the clinical laboratory enrollment moratorium dated March 1, 2004, will be abolished.

This moratorium does not apply to:

- 1) The purchase of an existing clinical laboratory currently enrolled in the Medi-Cal program as a clinical laboratory, whether it constitutes a change of ownership or not.
- 2) The addition of a new location when the clinical laboratory already has six (6) or more clinical laboratory Medi-Cal provider numbers.
- 3) The change of location of an existing clinical laboratory currently enrolled in the Medi-Cal program as a clinical laboratory, which does not constitute a change of ownership.
- 4) A clinical laboratory that is owned and operated by a general acute care hospital or psychiatric hospital licensed pursuant to Health and Safety Code Section 1250, et seq.

- 5) A clinical laboratory that is owned and operated by a clinic licensed pursuant to Health and Safety Code Section 1200, et seq.
- 6) A clinical laboratory owned and operated by a physician or physician group and the physician or physician group only performs Provider Performed Microscopy Procedures (PPMP) and/or waived clinical laboratory tests or examinations.
- 7) A public health laboratory as defined in Business and Professions Code Section 1206(a) and certified pursuant to Health and Safety Section 101160.
- 8) An out-of-state clinical laboratory requesting enrollment for the expressed purpose of providing services to a Medi-Cal beneficiary on an emergency basis, in accordance with the California Code of Regulations, Title 22, Section 51006.
- 9) A clinical laboratory that only seeks reimbursement for Medicare cost sharing amounts.
- 10) Currently enrolled providers responding to the Department's request for an application for continuing enrollment.

This action is necessary to safeguard public funds and to maintain the fiscal integrity of the program.

ORIGINAL SIGNED BY

Sandra Shewry
Director
California Department of Health Services
Health and Human Services Agency
State of California

AUGUST 27, 2004

Date